

REMARKS/ARGUMENTS

Amendments

Before this Amendment, claims 1, 3-17 and 19-21 were present for examination. Claims 1, 4-6, 9, 10, 13-17, and 20 are amended by this paper. No claims are canceled, and claims 22-24 are added. Therefore, claims 1, 3-17 and 19-24 are present for examination, and claims 1, 9, and 14 are the independent claims. No new matter is added by these amendments.

Applicants respectfully request reconsideration and further examination of the application in view of the amendments and the following remarks.

Claim Amendments

Independent claims 1, 9, and 14 have been amended to further clarify the operation of the claimed inventions.

For example, claim 1 has been amended to recite that *the second interface in part presents to a holder of an elective account balance the first input and wherein the second interface is operable to receive a second input, wherein the second input is received from the holder of an elective account balance.* This amendment clarifies that the first input (the bid premium) is presented to the holder of the account, and that the second input is received from the account holder. This amendment finds support in the specification at least in paragraphs [0047]-[0049] and in Figure 5.

Claims 9 and 14 are similarly amended. Dependent claims 4-6, 10, 13, 15-17, and 20 are amended to harmonize their language with that of independent claims 1, 9, and 14.

New claims 21-24 find support in the specification at least in paragraphs [0012] and [0025].

Rejection Under 35 U.S.C. §103(a), Chien, Ghouri, Official Notice

The Office Action has rejected claims 1 and 3-8 under 35 U.S.C. §103(a) as being allegedly unpatentable over the cited portions of Chien, U.S. Patent Publ. 2001/0054003,

("Chien") in view of the cited portions of Ghouri, U.S. Patent Publ. 2002/0082978 ("Ghouri"), and further in view of Official Notice.

The cited references, even in combination, do not teach or suggest each and every limitation of these claims, and the claims are therefore believed allowable.

Claims 1 and 3-8

For example, claim 1 recites

1. *A system for distributing elective account balances, the system comprising:
a microprocessor based device communicably coupled to a communication network;
a computer readable medium associated with the microprocessor based device, wherein the computer readable medium includes instructions executable by the microprocessor based device to:
receive a request for a first interface from a bid device;
serve the first interface to the bid device across the communication network, wherein the first interface is operable to receive a first input;
receive a request for a second interface from a redemption device;
serve the second interface to the redemption device across the communication network, wherein the second interface in part presents to a holder of an elective account balance the first input and wherein the second interface is operable to receive a second input, wherein the second input is received from the holder of an elective account balance;
allocate at least a portion of an elective balance to a particular one of a plurality of available redemption categories based at least in part on the second input; and
calculate a redemption amount by multiplying the portion of the elective balance by the first input;
wherein the first input is a bid premium from one of a plurality of entities competing for access to the elective balance through bid premiums on the redemption categories.*

Claim 1 thus recites a system that enables a holder of an elective account balance to allocate that balance among *redemption categories*. For example, a holder of an elective account balance may be an employee who has received a bonus or reward from his or her employer. The employer may provide various categories of value for which the account can be redeemed. For example, the employee may be able to choose from among cash, goods from a

particular retailer, vacation time, or the like. (Specification paragraphs [0012], [0024]-[0026]). The account balance can be allocated among several categories. For example, an employee may allocate part of his or her balance to one redemption category, and part to another. Example allocations are shown in Figure 3.

The employee directs the allocation, using an interface such as that shown in Figure 5.

Various outside entities, such as retailers, can compete for the value in the categories. For example, a retailer wishing to encourage the employee to spend value with the retailer could offer a *bid premium* for the value in a category. The bid premium may be greater than one, meaning that the retailer is willing to sell more goods than the allocated value may appear to be worth at face value, so that the retailer is effectively offering goods at a discount in order to attract the business. The entities offering bid premiums may use an interface similar to that of Figure 4.

The current bid premiums being offered are shown to the employee, as is shown in Figure 5, so that the employee can be better informed in making the allocations.

The cited references, even in combination, do not describe such a system.

Chien describes a system and method for using loyalty points to make purchases. The loyalty point system is integrated with the financial transaction system of a transaction card provider. (Chien paragraph [0025]) Consumers can convert points to monetary values in a stand-alone arrangement (Chien Figures 3-9, paragraph [0050]) or an integrated arrangement, wherein the consumer can specify that a particular purchase will be paid for with points at the time the item for purchase is selected (Chien Figures 12A-D, paragraph [0066]).

Ghouri describes a “reverse auction” system, wherein a consumer specifies the kind and configuration of a vehicle he or she wishes to purchase, and dealers compete for the sale by offering prices at which they would be willing to sell the specified vehicle. The consumer can then select the lowest price. (Ghouri Abstract)

Neither Chien nor Ghouri describes *redemption categories*, or *allocating a balance among categories*.

In particular, neither Chien nor Ghouri describes a system configured to

receive a request for a second interface from a redemption device; serve the second interface to the redemption device across the communication network, wherein the second interface in part presents to a holder of an elective account balance the first input and wherein the second interface is operable to receive a second input, wherein the second input is received from the holder of an elective account balance; allocate at least a portion of an elective balance to a particular one of a plurality of available redemption categories based at least in part on the second input; and calculate a redemption amount by multiplying the portion of the elective balance by the first input.

These elements from claim 1 recite a system in which an interface (the *second interface*) is presented to a *holder of an elective account balance*. The second interface includes the *first input*, which is a *bid premium* received through a *first interface*. The *second interface* receives the *second input* (for example an allocation percentage) from the *holder of an elective account balance*. An allocation is performed *based at least in part on the second input*. In this system, it is the *holder of the elective account balance* that directs the allocation of the balance among the redemption categories, having seen the bid premiums. A redemption amount is calculated by *multiplying* the bid premium (*first input*) by a portion of the elective balance. Neither Chien nor Ghouri describes a system in which an account holder performs this kind of allocation.

In support of the rejection, the Office Action cites paragraphs [0008] and [0052] as teaching *allocat[ing] at least a portion of an elective balance to a redemption category based at least in part on the second input*. Applicants respectfully disagree that the cited passages support the rejection. Chien's paragraph [0008] provides a broad overview of Chien's pay-with-loyalty-points system. Chien's paragraph [0052] describes the mechanics of making a single

purchase using loyalty points. Neither paragraph [0008] nor paragraph [0052] describes *allocat[ing]* amounts to different *redemption categories*.

The amendments to claim 1 further clarify that the *redemption category* is a *particular one of a plurality of available redemption categories*, and further distinguish over Chien and Ghouri.

Also in support of the rejection, the Office Action cites Chien's paragraph [0052] as disclosing *calculate[ing] a redemption amount by multiplying the portion of the elective balance by the first input*. The cited paragraph does contain the word "calculate", but the calculation it describes is not the calculation Applicants claim. Chien describes calculating the number of points that are required to "pay" for a particular purchase. This calculation is not *multiplying the portion of the elective balance by the first input* (the bid premium).

The Office Action takes Official Notice that it is well known "to provide a redemption amount that is of a same unit of measurement as the elective balance." (Office Action p. 4). This limitation has been deleted from claim 1, rendering this part of the rejection moot.

Chien and Ghouri, even in combination, do not teach or suggest each and every limitation of claim 1; and claim 1 is believed allowable over the combination of Chien and Ghouri. Claims 3-8 depend from claim 1 and add further limitations, and are therefore also believed allowable for at least this reason.

Rejection Under 35 U.S.C. §103(a), Chien, Ghouri

The Office Action has rejected claims 9-17 and 19-21 under 35 U.S.C. §103(a) as being allegedly unpatentable over the cited portions of Chien in view of the cited portions of Ghouri. Applicants respectfully traverse.

Claims 9-13

Claim 9 is a method claim reciting several steps analogous to steps performed by the system of claim 1, and claim 9 is believed allowable for reasons similar to those given above. Claims 10-13 are believed allowable at least by virtue of their dependence from allowable claim 9.

Claims 14-17 and 19-21

Claim 14 is a method claim that recites in part

providing an account interface including the balance to the redemption device via the communication network;
receiving an allocation selection from the redemption device, wherein the allocation selection indicates an amount of the balance to be associated with a particular one of a plurality of available redemption categories;
providing a bid premium interface to a bid device via the communication network, wherein the bid premium interface comprises bid premiums of the plurality of available redemption categories;
receiving a bid premium from the bid device, wherein the bid premium is associated with the particular redemption category; and
calculating a redemption amount based at least in part on the bid premium.

As is explained above with respect to claim 1, Chien and Ghouri, even in combination do not disclose, among other things, *redemption categories*, or allocating an elective balance among *a plurality of available redemption categories*, or *receiving a bid premium ... associated with a particular redemption category*. As such, several steps of claim 14 are missing from the combination of Chien and Ghouri, and claim 14 is believed allowable over them.

Claims 15-17 and 19-21 depend from claim 14 and add further limitations, and are believed allowable for at least this reason.

New Claims

New claims 22, 23, and 24 depend respectively from independent claims 1, 9, and 14, and add further limitations. Claims 22-24 are believed allowable at least by virtue of their dependence from allowable base claims.

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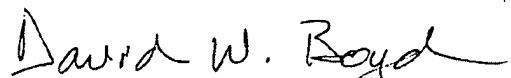
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CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,



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